



We create chemistry

December 14, 2016

Via Certified Mail

Craig W. Butler, Director
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049

**Re: BASF Corporation, Elyria, Ohio
Voluntary Audit Disclosure Report**

Dear Director Butler:

Pursuant to Ohio Revised Code (ORC) Section 3745.72, BASF Corporation (BASF) makes the following prompt and voluntary disclosure concerning an issue recently discovered with the performance of the TriMer scrubber at BASF's Elyria, Ohio site. This disclosure is made with the intent to qualify for the immunity available under ORC Section 3745.72.

1. Name, address, and telephone number of the owner or operator making the disclosure.

BASF Corporation
120 Pine Street
Elyria, Ohio 44035
(440) 322-3741

2. Name, title, address, and telephone number of one or more persons associated with the owner or operator who may be contacted regarding the disclosure.

Michele Barney
Site Director
BASF Corporation
120 Pine Street
Elyria, Ohio 44035
(440) 329-2510

and

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Linda Mirsky Brenneman
Associate General Counsel, Environmental
BASF Corporation
100 Park Avenue
Florham Park, NJ 07932
(973) 245-7781

3. A brief summary of the alleged violation of environmental laws.

For some time, BASF has been in the process of updating the operating parameter limits in its permits to ensure that they conform to the manufacturers' recommendations. BASF included updates to the parameters for the TriMer scrubber, a wet scrubber system at BASF's catalyst plant at the Elyria site, as part of the site's Title V permit renewal, which is expected to be issued sometime in 2017. In order to confirm that the revised Title V permit included accurate parameter limits, BASF asked TriMer, the manufacturer of the TriMer scrubber, to review the performance of the TriMer scrubber and help identify the appropriate parameters and limits to ensure proper operation.

On or about October 25, 2016, TriMer personnel informed BASF that when the TriMer scrubber was originally installed in approximately 1983 (before BASF acquired the Elyria site), it was designed to remove only NO₂, and was not designed to remove NO. As an immediate corrective measure, BASF shut down the TriMer scrubber and limited any subsequent operation to those products that produce NO in only low quantities (*i.e.*, products that BASF can manufacture while remaining in compliance with the site's existing NO_x emissions limits).

In order to confirm the information provided by TriMer, BASF scheduled and conducted engineering testing on the TriMer scrubber between November 29 and December 2, 2016; partial preliminary results were received on December 1, with the remaining data provided on December 6. Those results confirmed that the TriMer scrubber does not appear to be physically capable of removing NO in any significant quantities.

BASF has an approved capital project in place to replace the TriMer scrubber. In the interim, while it continues to evaluate shorter term solutions, BASF will continue to limit the use of the TriMer scrubber to only those products and rates that can operate within the existing Title V air permit limits. Products that generate high NO will either be processed in equipment that is controlled by equipment capable of reducing and removing NO, or will be processed using the TriMer scrubber at rates that are sufficiently low to ensure compliance with the site's NO_x permit limits.

Please note that the site received an information request from the United States EPA under Section 114 of the Clean Air Act (CAA) on September 20, 2016. This information request

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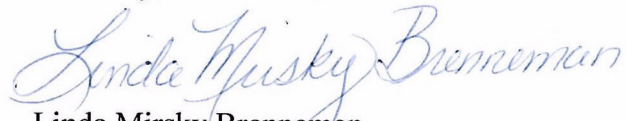
sought a wide range of information, involving the compliance of almost every emissions source and control device at the site with applicable CAA requirements. While the TriMer scrubber necessarily falls within this broad scope, the information request itself does not specifically focus on the TriMer scrubber, nor does BASF have any information suggesting that EPA is pursuing investigation or enforcement relating to the issues disclosed above. Furthermore, while the audit in question occurred during the same timeframe as BASF's response to the 114 request, the audit was not triggered by that 114 request, but was rather the outgrowth of continuing efforts BASF has made to identify appropriate operating parameters at all equipment at the site. As a result, BASF believes that its disclosure qualifies as "voluntary" under ORC Section 3745.70(C).

4. Statement regarding Section 3745.72 immunity.

The above information is part of an environmental audit report and is being disclosed under ORC Section 3745.72 in order to obtain the immunity provided by that section.

Thank you for your consideration of this request. Please feel free to contact me with any questions.

Sincerely,



Linda Mirsky Brenneman
Associate General Counsel, Environmental

cc: Todd Anderson, Ohio EPA
Andrew Bergman, Ohio EPA
Laurie Stevenson, Ohio EPA

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